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COPY NO. 10

NATIONAL SECURITY COUNCIL

STATUS OF PROJECTS

as of

July 18, 1949

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NSC review completed.

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NATIONAL SECURITY COUNCIL

STATUS OF PROJECTS

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1. COMPLETED PROJECTS

(July 1, 1949 - July 18, 1949)

NSC 50 THE CENTRAL INTELLIGENCE AGENCY AND NATIONAL
ORGANIZATION FOR INTELLIGENCE
(See NSC Action No. 231; see also Section 6)

POSSIBLE U. S. COURSES OF ACTION IN THE EVENT THE USSR
REIMPOSES THE BERLIN BLOCKADE
(See NSC Action No. 233)

NSC 17/6 INTERNAL SECURITY
(See NSC Action No. 235)

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2. PROJECTS UNDER CONSIDERATION BY THE NSC

IMPLEMENTATION OF NSC PAPERS

(Memo for NSC from Executive Secretary, same subject, dated May 25, 1949)

Proposed amendment to the agreed procedure for implementing NSC papers (NSC Action No. 123) submitted by the Acting Secretary of State for Council consideration. Approved by NSRB, May 26; by Treasury, May 30. Disapproved and amendment proposed jointly by Defense, Army, Navy, and Air, June 20. Amendment submitted June 21 to State, Treasury and NSRB. Amendment approved by Treasury June 30, by NSRB, July 11. Awaiting action by State.

MEASURES REQUIRED TO ACHIEVE U. S. OBJECTIVES WITH RESPECT TO THE USSR

(Ref. NSC 20/4; NSC 35; Memo for NSC from Executive Secretary, same subject, dated May 25, 1949; Memo for Consultants from Executive Secretary, same subject, dated March 30, 1949)

On the basis of the statement of U. S. risks and objectives with respect to the USSR (NSC 20/4) as adopted by the Council and approved by the President, the Staff drafted specific measures required to achieve those objectives, pursuant to NSC Action No. 88-b. In this connection, the Staff considered the views of the JCS on military commitments, which were circulated as NSC 35 for Council information and Staff use. Staff draft report presented to Consultants January 11. Referred back to Staff for revisions in the light of the discussion at the Consultants' meeting on January 17. Staff request that JCS views on "military readiness" be obtained for use in completing final draft of report was transmitted to the Secretary of Defense, January 19. JCS views incorporated by the NSC Staff in a draft report submitted to the Consultants by memo dated March 30. Concurred in by Navy and NSRB, April 1; by Air Force, April 5; by Army, April 12. State recommendations regarding this project submitted by memo dated May 25 to Council. Defense proposal with respect to State recommendations submitted to the Council for consideration by memo dated June 21. To be scheduled for consideration at an early Council meeting.

DEVELOPMENTS WITH RESPECT TO WESTERN UNION (NSC Action No. 211)

At its 39th Meeting the Council agreed to retain this subject on its agenda pending consideration of policy questions with respect thereto which have not yet been decided.

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3. PROJECTS UNDER CONSIDERATION BY THE NSC SUB-COMMITTEE ON GERMANY
(NSC Action No. 176)

The Sub-committee met initially on January 28, 1949, pursuant to the reference action, approved a procedure for its activities and designated representatives as a Steering Group. It was agreed that the Department of State would prepare for consideration by the Steering Group the first draft of a restatement of our policy toward Germany, and that the Steering Group should undertake concurrently the preparation of position papers on the following problems, the first four of which should have priority over the remainder:

1. Occupation Statute for Western Germany
2. Trizonal Fusion Agreement
3. German Constitution
4. Ruhr Control Plan
5. Prohibited and Restricted Industries
6. Reparations
7. Western Germany's Long-Range Economic Program
(GARIOA and ECA)
8. Western Berlin Currency Situation

The Steering Group has held fifteen meetings to date, during which policy toward Germany and the above problems were discussed, as well as the question of administrative arrangements for Germany.

Awaiting report by the Sub-committee.

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4. PROJECTS UNDER CONSIDERATION BY THE NSC CONSULTANTS

UNITED STATES POLICY IN THE EVENT OF A COMMUNIST THREAT TO ICELAND
(NSC 40; Memo for Consultants from Executive Secretary, same subject, dated April 21, 1949)

Study by the JCS on "Future Operations in Iceland" circulated at the request of the Secretary of Defense and with the concurrence of the Secretary of State to the Council for information and referred to the NSC Staff for preparation of a report for Council consideration. Draft report submitted to Consultants April 21. NSRB concurred April 22; Navy, April 26; Defense, April 27; Army and Air, April 29. State Consultant submitted an alternative draft report, June 24, which is now under consideration by Defense, Army, Navy, Air and NSRB Consultants. Defense, NSRB, Navy, and Air recommended that State draft and NSC Staff draft be referred to the Staff for preparation of a new report in the light of suggestions. Awaiting action by Army.

PLANNING FOR LIMITED JAPANESE ARMED FORCES

(NSC 44 and memo for NSC from Executive Secretary, subject: "Limited Military Armament for Japan", dated March 11, 1949; Memo for Consultants from Executive Secretary, above subject, dated April 27, 1949)

Study by the Department of the Army, "Limited Military Armament for Japan", and comments thereon by General MacArthur and the JCS, referred by the Secretary of Defense for examination by the NSC Staff with a view to preparing possible amendments to NSC 13/2 for Council consideration. Draft report submitted to the Consultants, April 28. Concurred in by Defense and Navy, May 3; by Army, May 5; by NSRB, May 7; by Air, May 9. Awaiting action by State.

THE POSITION OF THE UNITED STATES WITH RESPECT TO IRAN

At the request of the Acting Secretary of the Army, the NSC Staff was directed to review the U. S. position with respect to Iran, to include consideration of the action which the U. S. should take to counter possible Soviet courses of action, and to prepare a study for consideration by the Council. A study prepared by the Department of the Army, suggesting specific U. S. action with respect to one of the possible Soviet courses of action, was furnished to the NSC Staff for consideration. A draft analysis by the State Staff member, the views of the Defense Staff member and a CIA estimate of the current situation in Iran were considered by the Staff in the preparation of a Staff study. The Staff study was submitted to the Consultants by memo dated June 28 for their consideration. Approved by NSRB and Defense, July 6; by Army and Navy, July 11, by Air, July 13. Awaiting action by State.

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5. PROJECTS IN PREPARATION BY NSC STAFF

U. S. POLICY TOWARD ASIA

(NSC 48; Memo for NSC from Executive Secretary, "Appraisal of U. S. National Interests in South Asia", dated June 2 and 17, 1949; NSC 51)

A request by the Secretary of Defense (NSC 48) for a study of the current situation in Asia was circulated on June 10 for the information of the Council and referred to the NSC Staff for the preparation of a report for Council consideration. At its 42nd Meeting SANACC 360/14, "Appraisal of U. S. National Interests in South Asia", (Memo of June 2), together with amendments proposed by the Secretary of Defense (Memo of June 17) was referred by the Council to the NSC Staff for use in the preparation of its study on "U. S. Policy Toward Asia" and for re-examination in the light of that study and of the discussion at the meeting. The Secretary of the Army forwarded on June 30, a staff study prepared in the Department of the Army on "Implications of a Possible Full-Scale Invasion from North Korea subsequent to Withdrawal of U. S. Troops from Korea" and comments of the Joint Chiefs of Staff thereon for use as appropriate by the NSC Staff in its consideration of a U. S. policy toward Asia. The Secretary of State on July 1 transmitted a report on "U. S. Policy Toward Southeast Asia", (NSC 51) which was circulated for the information of the Council, and referred to the Staff for consideration in connection with NSC 48. Awaiting Staff study.

FUTURE COURSE OF U. S. ACTION WITH RESPECT TO AUSTRIA

(NSC 38/2; NSC 38/1)

Report by the Secretary of Defense (NSC 38/1) circulated June 16 to the Council for information and referred to the Department of State in accord with the recommendations of the Secretary of Defense that the Department of State present, as a matter of urgency, its views on the issues involved in a future course of U. S. action with respect to Austria. Report by the Secretary of State in reply (NSC 38/2) was considered by the NSC at its 43rd meeting. The Council referred both reports (NSC 38/1 and 38/2) to the NSC Staff for use in the preparation of a study of the nature and timing of possible courses of action available to the U. S. with respect to Austria. Awaiting Staff study.

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6. OTHER CURRENT PROJECTS

CURRENT STRATEGIC EVALUATION OF U. S. SECURITY NEEDS IN JAPAN
(NSC 49; Memo for Secretary of Defense from Executive Secretary, same subject, dated May 24, 1949)

In accord with the questions raised by the Acting Secretary of State in the reference memo, the Secretary of Defense was requested to furnish a current strategic evaluation of U. S. security needs in Japan for Council information and for State Department use in its initial studies of the present adequacy of NSC 13/3. Report from the Secretary of Defense circulated on June 15 (NSC 49) for the information of the Council and for the use of the Department of State. Awaiting further action by State.

UNITED STATES STRATEGIC INTERESTS IN ISRAEL
(NSC 47)

In accord with the suggestion of the Secretary of Defense, the Secretary of State has been requested to prepare for Council consideration an initial report which re-examines and develops an up-to-date policy on the position of the United States with respect to Israel, in light of developments over the course of the last twelve months and in view of the conclusions reached by the JCS in NSC 47. Awaiting report by the Secretary of State.

DISPOSITION OF THE FORMER ITALIAN COLONIES IN AFRICA
(NSC 19/1 and 19/2; Memo for Secretary of State from Executive Secretary, same subject, dated December 15, 1948)

At its 17th Meeting, August 5, the NSC reviewed and discussed the subject but deferred further action pending the results of negotiations referred to by the Department of State in NSC 19/2. As suggested by the Secretary of Defense in the reference memo, the Department of State was requested to prepare a progress report summarizing implementation of NSC 19/1, setting forth any suggestions concerning changes in NSC 19/1 as a basis for reconsideration by the NSC of the policies approved in that report. A "Progress Report" by the Acting Secretary of State which constituted an interim report was circulated to the Council, June 15, in which it was stated that a more detailed report on a U. S. position for the next session of the UN General Assembly is being prepared by the Department of State for Council consideration. Awaiting State report.

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OTHER CURRENT PROJECTS (Cont'd)

THE CENTRAL INTELLIGENCE AGENCY AND NATIONAL ORGANIZATION FOR INTELLIGENCE
(NSC Action No. 231; NSC 50)

At its 43rd Meeting (NSC Action No. 231) the Council approved the recommendations in NSC 50, subject to further study and recommendation to the Council by representatives of the Secretaries of State and Defense as to the desirability of a separate administration for the operations division proposed in paragraph 6 a (1) thereof. Awaiting report by the representatives of the Secretaries of State and Defense.

Council action on NSC 50 called for submission by the Director, CIA of the following reports:

- a. Within a period of 6 months, a progress report on particular intelligence questions requiring coordination or attention (paragraph 4a of NSC 50).
- b. In 90 days, a progress report on the organization of the CIA (paragraph 6 of NSC 50, excepting provision in 6 a (1) for a separate administration for the operations division which is under further study).
- c. Within a period of 30 days, appropriate National Security Council Intelligence Directives on the security of information and the avoidance of publicity (paragraph 7 of NSC 50).

Awaiting above reports by the Director of Central Intelligence.

GOVERNMENTAL PROGRAMS IN NATIONAL SECURITY AND INTERNATIONAL AFFAIRS FOR THE FISCAL YEAR 1951
(NSC 52, NSC 52/1)

Request by the President for the advice of the NSC on the subject was circulated as NSC 52 to NSC members on July 5. A draft response for Council consideration prior to September 1, 1949 is being prepared by a special staff committee composed of designated representatives of the Secretaries of State, the Treasury, and Defense, the Chairman, NSRB and the Economic Cooperation Administrator, in appropriate consultation with the Director, Bureau of the Budget and the Chairman, Council of Economic Advisers. A summary tabulation of planning limits for budget programs for Fiscal Year 1951 and extracts of correspondence by the Director of the Bureau of the Budget relating thereto, were circulated to the Council for information (NSC 52/1) and referred to the special staff committee. Awaiting draft report by the special staff committee.

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7. DEFERRED PROJECTS

NATIONAL SECURITY OBJECTIVES OF THE UNITED STATES

Study initiated by NSC Staff December 2, 1947 as a long-term project. First draft issued February 25, 1948. Further consideration subsequently deferred until after NSC action on the NSC 20 and 35 Series. Awaiting completion of a study on this subject being prepared by the Department of State as a long-term project.

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